

## Old Age, Disability, Death

First and current law: 1954, as amended 1997.

Type of program: Social insurance system.

**Exchange rate:** U.S. \$1.00 equals 39.55 pesos.

### Coverage

Compulsory for all private employees not over 60 years old, whether permanent or provisional, house helpers earning at least 1,000 pesos a month, and all self-employed with 1,000 pesos or more in monthly income. Filipinos recruited by foreign-based employer for employment abroad are covered on a voluntary basis. Special system for government employees and military personnel.

### Source of Funds

**Insured person:** 3.33% of earnings, according to 23 income brackets. Self-employed pay contributions of both insured person and employer, 8.4% of earnings according to 23 wage classes.

**Employer:** 5.07% of payroll, according to 23 income brackets.

**Government:** Any deficit.

Maximum earnings for contribution and benefit purposes: 12,000 pesos a month. Above contributions also finance sickness and maternity benefits.

### Qualifying Conditions

**Old-age pension:** Age 60, ceased to be employed or self-employed, and 120 months of contribution prior to the semester of retirement. Retirement required at age 65, whether employed or not, 120 months of contribution.

**Disability pension:** Permanent total or partial disablement, 36 months of contribution before the semester of disability.

**Survivor pension:** Death of insured person, 36 months of contribution prior to the semester of death, death of a pensioner.

### Old-Age Benefits

**Old-age pension:** Monthly pension equals 300 pesos, plus 20% of the average monthly credited earnings, plus 2% of the average monthly credited earnings for each year of service in excess of 10 years; or 40% of average monthly credited earnings, whichever is higher.

Minimum pension: 1,200 pesos a month if insured contributed at least 10 years but less than 20 years, or 2,400 pesos if with at least 20 years.

Dependents' supplement: 10% of old-age pension or 250 pesos, whichever is higher, for each of 5 youngest children under age 21 conceived on or before the date of contingency; children who are incapacitated and incapable of self-support due to mental defect that is congenital or acquired during minority are exempt from age requirement.

Refund of contribution: Employee and employer contributions plus 6% interest, if ineligible for pension.

Adjustment: Periodic adjustment of benefits based on price and wage changes, as well as fund capacity.

Schedule of payments: 13 per year, with 13th pension equal to most recent payment. The insured has the option to receive his first 18 monthly pensions in lump sum discounted at a preferential rate of interest.

### Permanent Disability Benefits

**Disability pension:** Benefit level computed in the same way as old-age pension.

Minimum pension: 1,000 pesos a month if insured has less than 10 years; 1,200 pesos if with at least 10 years but less than 20 years; or 2,400 pesos if with at least 20 years.

Dependents' supplement: 10% of disability pension or 250 pesos, whichever is higher, for each of 5 youngest children under age 21 conceived on or before the date of contingency. Children who are incapacitated and incapable of self-support due to mental defect that is congenital or acquired during minority are exempt from age requirement.

Supplementary pension (permanent total and partial disability): 500 pesos a month.

Partial disability: Benefit computed as total disability but length of payment related to degree of disability. The monthly pension benefit given in lump sum if it is payable for less than 12 months.

Disability grant: Permanent total disability, lump sum equal to months' pension times number of monthly contributions, or 12 months' pension, whichever is higher.

Permanent partial disability, lump sum equal to monthly pension times percentage of disability in relation to the whole body, or 12 months' pension, whichever is higher.

Adjustment: Periodic adjustment of benefit payments based on price and wage changes, as well as fund capacity.

Schedule of payments: 13 per year, with 13th pension equal to most recent payment.

### Survivor Benefits

**Survivor pension:** 100% of monthly pension of insured, as defined under old-age pension, to surviving spouse and dependent children.

Minimum pension: 1,000 pesos a month if insured contributed for at least 10 years; 1,200 pesos if with at least 10 but less than 20 years; or 2,400 pesos if with at least 20 years.

Survivor grant (if ineligible for survivor pension because less than 36 months of contributions): Lump sum equal to monthly pension times number of monthly contributions, or 12 month's pension, whichever is higher, to surviving spouse and dependent children. If no surviving spouse and dependent children, 36 months' pension payable to dependent parents and other descendants.

Dependents' supplement: 10% of pension or 250 pesos, whichever is higher, to each of 5 youngest children under age 21 conceived on or before the date of contingency; children who are incapacitated and incapable of self-support due to mental defect that is congenital or acquired during minority are exempt from age requirement.

Survivors of old-age or permanent total disability pensioner: 100% of pension plus dependents' supplement.

If no surviving spouse or dependent children and the worker dies within 60 months from the start of his pension, lump sum equal to 60 months' pension less pension drawn, to dependent parents or other descendants.

Schedule of payments: 13 per year, with 13th pension equal to the level of most recent payment.

Funeral grant: 15,000 pesos, in cash or kind (family may avail itself of memorial service assistance program package provided by accredited life plan companies.)

### Administrative Organization

Social Security Commission, general direction of program including issuance of regulations; tripartite membership.

Administrator, president, chief executive officer responsible for direct administration of social security system.

### Sickness and Maternity

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First and current laws: 1954 as amended in 1997 (sickness benefits), 1969 as amended in 1996 (medical care), and 1977 as amended in 1997 (maternity).

Type of program: Social insurance system. Cash and medical benefits.

#### Coverage

**Sickness benefits:** Same as for old-age pension.

**Maternity benefits:** Same as for old-age pension.

**Medical care:** Same as for old-age pension, but also includes dependents of pensioners, with limited coverage for indigents. Except for maternity benefits, special system for government employees.

#### Source of Funds

**Insured person:** Sickness benefits, see pension contribution above. Maternity benefits, no contribution necessary.

Medical benefits: employed persons, 1.25% according to 13 wage classes, but not exceeding 3,000 pesos. None for pensioners and their dependents, and enrolled indigents.

**Employer:** Sickness benefit, see pension contribution above. Maternity benefits, 0.4% of payroll according to 27 wage classes. Medical benefits: 1.25% of payroll, according to 13 wage classes. Self-employed members, 8.4% of average monthly salary credit.

**Government:** Funding for medical benefits of indigents and any deficit.

Maximum earnings for contribution purposes: Employed and self-employed persons, 12,000 pesos a month for sickness and maternity benefits; 3,000 pesos a month for medical benefits.

#### Qualifying Conditions

**Cash sickness benefit:** 3 months of contribution within last 12 months immediately preceding the semester of sickness. Confinement in hospital, or elsewhere for at least 4 days, with administrative approval.

**Cash maternity benefits:** 3 months of contribution within last 12 months immediately preceding the semester of childbirth or miscarriage. Insured covered for 4 deliveries after March 1973. Must be currently employed.

**Medical benefits:** For non-pensioners, 3 months of contribution within last 12 months before 1st day of confinement. None required for retirees, pensioners and enrolled indigents.

### Sickness and Maternity Benefits

**Sickness benefits:** Daily cash allowance of 90% of the insured person's average daily wage credited earning. Payable after 3-day waiting period (unless injury or acute disease) for up to 120 days in calendar year, not to exceed 240 days for same illness.

**Maternity benefit:** 100% of average daily wage during highest 6 months of the 12 months preceding delivery, miscarriage, or

abortion. Payable for 60 days for non-caesarian cases and 78 days for caesarian deliveries.

### Workers' Medical Benefits

**Medical benefits:** Services rendered by providers paid directly by health fund according to a fixed schedule. Includes limited reimbursement for general and specialist care, hospital care, laboratory and X-ray fees, surgery, and medicines. Maximum: 45 days hospitalization.

Above benefits available to both active workers and pensioners/retirees and their dependents.

### Dependents' Medical Benefits

**Medical benefits for dependents:** Same as for insured. Includes dependents of pensioners.

### Administrative Organization

Social Security Commission, general direction of cash sickness and maternity program.

President, chief executive officer responsible for direct administration of sickness and maternity programs.

Employers pay sickness and maternity benefits directly to own employees, receiving reimbursement from social security system. Philippine Health Insurance Corporation, general direction of medical care program (attached to the Department of Health for policy coordination and guidance).

### Work Injury

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First and current law: 1974, as amended 1996.

Type of program: Social insurance system.

#### Coverage

Employed persons including house helpers and Filipinos recruited by foreign-based employers for employment abroad.

Exclusions: Self-employed persons.

Special system for government employees military personnel.

#### Source of Funds

**Insured person:** None.

**Employer:** 1% of payroll, according to 10 income brackets.

**Government:** None.

Maximum earnings for contribution purposes: 1,000 pesos a month.

#### Qualifying Conditions

**Work-injury benefits:** One month of contribution.

#### Temporary Disability Benefits

**Temporary disability benefit:** 90% of average daily wage of 6 highest months during last 12 months.

Minimum benefit, 10 pesos a day. Maximum, 200 pesos a day. Payable from first day of disability due to injury, after a 3-day waiting period if due to sickness, for up to 240 days.

#### Permanent Disability Benefits

**Permanent disability pension:** Total disability, 115% of the sum of 300 pesos, plus 20% of the average monthly credited earnings, plus

2% of the average monthly credited earnings for each year in excess of 10 years; or 115% of 40% of AMSC; or 2,000 pesos, whichever is higher.

Dependents' supplement: 10% of pension or 150 pesos whichever is higher for each of 5 youngest children under age 21.

Partial disability: Same as total disability but duration of benefit proportionate to degree of incapacity, according to schedule.

Minimum, 2,000 pesos a month.

Supplementary pension: 575 pesos a month for permanent total and permanent partial disability.

### **Workers' Medical Benefits**

**Medical benefits:** Medical, surgical, and hospital services; appliances and rehabilitation.

### **Survivor Benefits**

**Survivor pension:** 100% of monthly pension of insured.

Dependents' supplement: 10% of pension for each of 5 youngest children under age 21.

Survivor grant: Monthly pension of insured payable to secondary beneficiaries up to 60 months, not less than 120,000 pesos in total.

Survivors of permanent total disability pensioner: 100% of monthly pension plus dependents' supplement.

Funeral grant: 10,000 pesos.

### **Administrative Organization**

Department of Labor, general supervision.

President, chief executive officer responsible for direct administration of benefits.

Employees' Compensation Commission initiates and coordinates program policies and determines contribution rates.